

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:	§	CHAPTER 11
	§	
FINANCIAL STRATEGIES	§	
ACQUISITION CORP.,	§	CASE NO. 23-42345 (BTR)
	§	
Debtor.	§	

**JOINDER OF CLEAR STREET LLC TO OPPOSITIONS TO
MOTION TO COMPEL RELEASE OF TRUST FUNDS**

Clear Street LLC (“Clear Street”) by and through its undersigned counsel, hereby submits this joinder (the “Joinder”) to *Continental’s Objection to Motion to Compel* (Dkt. 42), *Shaolin’s Joinder in Support of Continental’s Objection To Motion To Compel* (Dkt. 48), and the *Objection of Periscope Capital Inc. and Spring Creek Capital LLC to Motion to Compel* (Dkt. 49) (the “Periscope Capital Opposition”) (collectively, the “Oppositions”) filed in opposition to the Debtors’ *Motion to Compel* (Dkt. 12) (the “Motion”).¹ In support of this Joinder, Clear Street respectfully represents as follows:

Joinder

1. Clear Street joins in, and hereby incorporates by reference, the arguments made in the Oppositions.
2. The Debtor is a failed special purpose acquisition company, or “SPAC.” On December 10, 2021, the Debtor filed a *Prospectus* with U.S. Securities and Exchange Commission (the “Prospectus”)² disclosing the terms of an initial public offering (the “IPO”) of the Debtor’s “public shares” (as defined in the Prospectus). Clear Street currently holds 58,923 public shares of the Debtor.

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

² A copy of the Prospectus is attached to the Periscope Capital Opposition as Exhibit 1.

3. In the Prospectus, the Debtor assured public shareholders that the proceeds of the IPO (together with any interest that would accrue thereon, the “Trust Funds”) would “be deposited into a trust account in the United States, with Continental Stock Transfer & Trust Company acting as trustee.” The Debtors represented that Continental would continue to hold the Trust Funds until the Debtor’s public shareholders had approved a suitable acquisition, merger, or other “business combination.” The Trust Funds are currently held in a trust account (the “Trust Account”) with JPMorgan Chase Bank, N.A. (the “Bank”).

4. By the Motion, the Debtor would compel the Bank to transfer the Trust Funds from the Trust Account to a debtor-in-possession account. As set forth in the Oppositions, the Motion should be denied, because, *inter alia*, (a) the Trust Funds are held in an express trust at the Bank, are controlled by the Trustee, and are not property of the Debtor’s estate under section 541(d) of the Bankruptcy Code and relevant law in the Fifth Circuit (*see, e.g., Matter of Maple Mortg., Inc.*, 81 F.3d 592, 595 (5th Cir. 1996)), (b) as a contractual matter, the Debtor does not have the right to access the Trust Funds without public shareholder consent, (c) the requested relief would upend investor expectations in the SPAC capital markets, and (d) the Debtor’s public shareholders, including Clear Street, did not receive notice of the Motion.

Compliance with LBR 9014-1(b)(2) and Fed. R. Civ. P. 8(b)

5. Clear Street lacks detailed knowledge sufficient to admit or deny the allegations in the Motion; *provided, however*, that Clear Street denies (i) the funds referenced in the Debtor’s allegation in paragraphs 2 and 7 of the Motion are the Debtor’s property or can be used in the Debtor’s pursuit of an acquisition, (ii) that the Court should order transfer of the funds to the Debtor, and (iii) the relief requested in the Motion’s prayer for relief.

Reservation of Rights

6. Clear Street reserves all rights with respect to the Motion, including the right to supplement this Joinder and to raise additional arguments or objections before or at the hearing to consider the relief sought.

Conclusion

WHEREFORE, for all of the reasons set forth in the Oppositions and herein, Clear Street respectfully requests that the Court deny the Motion.

Dated: February 9, 2024

Respectfully submitted,

/s/ Aaron G. Fountain _____

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CERTIFICATE OF SERVICE

The undersigned hereby certifies on February 9, 2024, he caused a copy of the foregoing document to be served pursuant to LBR 9013-1(e) and (f) by the Electronic Case Filing System for the United States Bankruptcy Court for the Eastern District of Texas on all parties registered to receive notice through the Court's ECF service and by pdf email to the email addresses listed below:

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